

CAPITAL SMALL FINANCE BANK LIMITED

(H.O. : MIDAS Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar)

**HYPOTHECATION OF GOODS AND BOOK DEBTS TO SECURE
CASH CREDIT FACILITY & WORKING CAPITAL TERM LOAN**

This deed of hypothecation is executed at _____ on this _____ day
of _____ 20 _____ by

Shri /Ms./ M/s _____ having its Registered Office at _____

_____ (hereinafter referred to as "the Borrower" which term shall include its legal heirs, representatives, executors, administrators, successors and assigns) in favour of Capital Small Finance Bank Ltd, a body corporate having its Head Office and, inter alia, a Branch Office at _____ (hereinafter referred to as "the Bank" which term shall include its successors and assigns).

Unless the context otherwise requires, the singular includes the plural and vice versa. Accordingly the term "Borrower" shall include each one of the Borrowers in case there is more than one Borrower or the Borrower is a Partnership Firm / Association of persons, etc. and their liability under this deed shall be joint and several.

WHEREAS

The Borrower is engaged in the business of _____ and requires financial assistance for its business and has applied to the Bank to allow / continue / enhance Credit Facilities by way of Cash Credit Hypothecation); and

The Borrower agrees to secure the Credit Facilities by hypothecation of Goods and Book Debts.

NOW this deed witnesseth as under:

1. That the Bank shall allow / continue to allow / enhance Working Capital Facilities upto a limit of ₹ _____ (Rupees _____ only), (hereinafter referred to as "the said Facilities") by opening one or more Cash Credit Account(s) ("the said Accounts") in the name of the Borrower as per the details hereunder :

Sr. No.	Nature of the Facilities	Amount
1.	CC Stocks & Book Debts	₹ _____
2.	Working Capital Term Loan	₹ _____
3.	CC Bills for Collections(ABC)	₹ _____
	Total (Overall Limit)	₹ _____

The aforesaid Limits shall be availed within the overall aggregate limit of ₹ _____ (hereinafter referred to as "the said Limits").

2. That the Bank shall not be obliged to grant or continue any facility/ accommodation except that it shall in its absolute discretion consider fit and that the Bank shall always be at liberty to stop making further advance or cancel the said Facilities at any time without previous notice and without assigning any reason even though the said Limits have not been fully availed of. It is further agreed that the Bank shall have the discretion in itself to decide and/or change the branches from which the said facilities will be available to the Borrower and to vary and/or change the sub-limits, if any, of the said Facilities without changing or affecting the overall aggregate limit and this document shall be construed as if such variation and/or change in the branches and/or in the sub-limits were expressly mentioned herein.
3. That the Borrower hereby agrees, that in case the indebtedness to the Bank under the said Accounts exceeds the said Limits, the Borrower shall be jointly and severally liable for the excess amount and the Securities given shall be or continue to be liable for the excess amount over and above the said Limits in the same manner and to the same extent as the Borrower's liabilities hereunder.
4. (a) That in consideration of the Bank allowing and/or agreeing to allow the said Facilities in all upto a limit of ₹ _____ in the name of the Borrower as aforesaid, the Borrower hereby hypothecates with the Bank (i) the present and future Goods, stocks of raw materials, work in process, finished goods, consumables, stores and spares (hereinafter referred to as the Goods), which belong to it and which now or hereinafter from time to time during the continuance of this agreement shall be brought in, stored or be in or about its premises or godowns at _____ or any other godowns or be in the course of transit from one godown to another or wherever else the same may be; and (ii) the present and future book debts, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other moveable assets excluding bills purchased/discounted by the Bank and bills against which advances have been made (all of which are hereinafter referred to as the 'Book Debts') which belong to the Borrower and which now or hereinafter from time to time during the continuance of this Agreement may belong to it (the said 'Goods' and the 'Book Debts' are hereinafter referred to as 'the Hypothecated Assets'/'the Securities' more fully described in the Schedule hereto), as security for payment of the balance due to the Bank by the Borrower at anytime or ultimately found due to the Bank from the Borrower at anytime or ultimately found due on the closing of the said Accounts and for payment of all debts and liabilities. The expression "the balance due to the Bank" in this and the subsequent clauses shall be taken to include the principal moneys due in the said Accounts from time to time and also all interest thereon calculated from day to day at the rate hereinafter mentioned, additional interest, interest tax at the rate as in force, and the amount of all charges, commission and expenses, etc. which the Bank have paid or incurred in any way in connection with the Hypothecated Assets or the sale or the disposal thereof or otherwise recoverable.
- (b) That it is agreed that the security is and shall be both Goods / Stocks and Book-debts belonging to the Borrower though the drawing power against stocks/ book debts/bills for collection shall be allowed as per such limits fixed by the Bank, besides any other securities created/to be created by the Borrower.

5. That subject to the powers of the Bank and the obligations of the Borrowers as hereon contained and hereby determined the Borrowers may with the approval of the Bank deal with the said debts and assets in the ordinary course of business, provided that the margin of the security under the hypothecation aforesaid required by the Bank is fully maintained and on the express terms of delivery to the Bank of the proceeds thereof, immediately on receipt thereof.
6. That all sales / book debts realisations and insurance proceeds of the Hypothecated Goods / Assets shall be held by the Borrower as the Bank's exclusive property for appropriation to the said Accounts. They shall not during the continuance of this agreement create any mortgage, charge, lien or encumbrance affecting the Hypothecated Assets or any part thereof nor do anything, which would prejudice the Securities nor shall they part with them save by way of sale in the ordinary course of their business. They shall not effect any sale after the Bank has prohibited the Borrower from doing so.
7. That the Borrower shall permit the Bank, its agent and servants from time to time and at all times to enter into and upon any godowns or premises wherein the Hypothecated Assets or any part thereof may for the time being be and to view, inspect and value the same and make inventories or take possession thereof and render to the Bank and its servants all facilities as may be required for any of the purposes aforesaid.
8. That the Bank shall from time to time be at liberty to have any of the Securities / the Hypothecated Assets valued by an appraiser appointed by the Bank and the fees and expenses of such appraisal shall be paid by the Borrower.
9. That the Borrower shall punctually pay all rents, rates, taxes and other outgoings of the godowns and premises wherein the Hypothecated Assets shall be and keep the same free from distress.
10. (a) That all the Securities as aforesaid wherever situated shall be insured by the Borrower against fire risk and as and when required by the Bank against the war, riots and civil commotion risks and/or risk of any other description with some insurance company approved by the Bank to the full market value of the Securities, in each case irrespective of the balance due against the Borrower, and that the said policies shall be taken out in the name of the Bank or in the joint names of the Bank and the Borrower with the Bank Clause and that all policies and receipts for premia paid on such insurance shall be delivered to the Bank. Should the Borrower fail on demand being made by the Bank to insure or to deliver the policies or receipts for premia as aforesaid, the Bank shall be at liberty, but not bound, to effect such insurance at the risk, responsibility and cost of the Borrower with such insurance companies as the Bank in its absolute and unfettered discretion thinks fit and to the extent of the full market value of the Securities of which the Bank shall be the sole judge.

PROVIDED that the Bank shall not incur any liability to the Borrower if the bank, even if so permitted, fails to lodge any claim under any policy with the insurance company within the time prescribed under such policy or for any other reason whatsoever. Nor shall the Bank incur any liability to the Borrower for not bringing any suit for recovery of insurance money or allowing such suit to be barred by time.

The Borrower agrees to ensure compliance of all material conditions of insurance contracts and shall promptly inform the Bank of any loss or damage suffered by the Borrower due to any event for which the Hypothecated Goods are insured. The Borrower shall lodge claim with the insurance company promptly under intimation to the Bank.

PROVIDED, however, that in the event of so insuring the Securities, the Bank shall not be considered responsible or liable for the non-admission of the claims of the Bank or their non-payment wholly or partly by such insurance company or the omission to insure or deficiency in insurance and the ultimate liability of the Borrower to the Bank shall continue notwithstanding such failure or non-admission as aforesaid. All such expenses when incurred by the Bank shall form part of the principal amount due and be debited to the Borrower's said Accounts and will carry interest at the rate applicable to the said Accounts. Further, that all the sums received under any such insurance as aforesaid shall be received by the Bank and applied in or towards the liquidation of the balance due to the Bank for the time being and in the event of there being a surplus, the Bank shall be entitled to appropriate such surplus as provided in Clause 25 of this agreement.

b) That it is further agreed and declared that in each of the following three cases, namely:

- I. Where a policy is taken by the Borrower in its own names and assigned by the Borrower in favour of the Bank;
- ii. Where a policy is in the name of the Borrower and the Bank without Bank Clause; and
- iii. Where a policy is in the name of the Borrower and is in its possession;

the Bank shall, in addition to the remedies provided in the Bank's favour in sub-clause (a) above, be entitled to realise the policy money from the insurance company and the Borrower agrees that if need be, the Bank in each of above three cases shall be considered as its irrevocable attorney and the Borrower shall not be entitled to realise the policy money from the company itself.

c) That it is also agreed that the Bank shall have the absolute right to adjust, settle, compromise or refer to arbitration without reference to or consent of the Borrower, any dispute in connection with or arising under any policy of insurance and any of the assured and such act of the Bank shall be valid and binding on the Borrower, but shall not impair the right of the Bank to recover its dues from the Borrower.

11. That the Borrower shall submit stock report of the Goods and the Book Debts ("the Hypothecated Assets"), to the Bank duly verified by the Borrower as correct at such periodicity as decided by the Bank. The Bank acts on the stock reports and the book debts reports in determining the amount to be advanced to the Borrower. Should the reports as aforesaid contain any misstatement (of which the Bank shall be the sole judge) or there is any shortage of the Securities, the borrower shall render itself liable to legal action and the Bank shall be entitled to terminate this agreement and take possession of the Securities and sell the same without any notice to the Borrower and realise the Bank's dues and recover the balance of its claim from the Borrower.

12. That the Borrower hereby agrees that margin as agreed to for each commodity and merchandise, goods and book debts in the Schedule of the Securities hereto or such other margin as may be fixed by the Bank from time to time shall always be maintained by the Borrower in favour of the Bank between the value of the Securities calculated according to the rules of the Bank for the time being in force and the amount advanced and due to the Bank. If at any time the said margin falls short on account of fluctuations in the market rates or loss, shortage or inadequacy of the Securities held by the Bank or on account of any other reason whatsoever stipulated margin otherwise sought to be enhanced by the Bank, the Borrower shall on being called upon by the Bank, immediately make up the deficit either by cash payment or by furnishing additional securities or by deposit of documents of title to goods or title deeds of its immovable properties as approved by the Bank. In case of default by the Borrower in this behalf, the entire amount in the said Accounts shall, on demand by the Bank, become immediately payable by the Borrower.
13. The Borrower agrees to pay interest at% spread over the prevailing Base Rate/MCLR (presently being %) of the Bank i.e. _____% per annum with monthly rests (the "Applicable Interest Rate"), as and when due / leviable whether debited or not in the Loan account, other expenses, applicable interest tax and incidental charges, etc. as applicable from time to time. The interest shall be calculated on daily balance basis due to the Bank and shall be charged monthly so long as the amount due is not repaid in its entirety and shall form part of the principal and carry interest at the Applicable Interest Rate.
14. The Base Rate/MCLR and/or the spread are subject to changes made by the Bank/RBI from time to time and interest at the revised rate shall accordingly be charged from time to time in the Loan account.
15. The Borrower agrees to pay additional interest at _____% p.a. with agreed rests in case of default in
 - a) Payment of interest and/or any installment on the due dates, on the amount in default from the date of default; or
 - b) Furnishing information as prescribed/called for by the Bank; or
 - c) In case of excess borrowing due to overdrawal of limits, on the amount of excess borrowing;
 - d) In case of default in complying with the terms & conditions of the Facilities or of this deed or the said Account becomes irregular or for non-compliance of any other terms of sanction and the Bank's general guidelines, on the amount outstanding from the date of said Account becomes irregular/from the day of non-compliance of any conditions;
 - e) In case of delay in submission of stock and book debts statement on the amount outstanding, when the statement becomes due/ overdue;
 - f) In case the Facilities are recalled, on the amount outstanding from the date of demand/ recall.
 - g) Non-compliance of any other terms & conditions of the agreement/sanction letter.
 - h) In case the financial statements are not submitted to the Bank on yearly basis or as per periodicity fixed by the Bank and the credit facilities are not reviewed/renewed on annual basis or as per the periodicity fixed by the Bank.

15. A) Besides the above, the Bank shall have the option to recall the entire outstanding and the Borrower undertakes to pay the amount outstanding upon demand by the Bank.
16. (i) In case of WCTL, The Borrower agrees that the amount of the Loan together with interest will be paid by him regularly in _____ number of Equated Monthly Installments (the "EMI") of ₹_____ (Rupees_____) comprising of principal and interest and the first EMI shall become due for payment commencing on_____.

The amount of EMI shall be subject to change in accordance with the change/revision in the Applicable Interest Rate to be charged in the Loan account, in which event, the borrower shall exercise one of the following options for repayment of the Loan :

- a) To pay increased amount of EMI.
- b) To continue to pay the existing amounts of EMI with the condition that the balance outstanding in the Loan account would be paid in one go with last EMI of the originally applicable repayment tenure.
- c) To prolong the repayment period.
- (ii) In case no option is exercised by the borrower on account of change in the Applicable Interest Rate affecting the EMI, the option as given at (c) above will be deemed to have been exercised by the borrower
17. (i) In case of WCTL, The Borrower irrevocably authorizes the Bank to recover the amount of EMI and other charges from his SF/CA account no._____ maintained at the Bank's BO: _____ until the Loan is fully repaid and adjusted. The Borrower further undertakes to keep sufficient balance in his said account for recovery of the EMI by the Bank.
- (ii) The Borrower hereby deposits post-dated cheques to facilitate the due payment of the EMIs of the Loan.
- (iii) The Borrower is willing to make the payment of EMIs of the Loan, through participation in _____ Electronic Clearing Service (ECS) of National Clearing Cell of RBI and authorizes the Bank to raise the debits against the EMIs from his SF/CA account No._____ maintained at BO:_____ of _____ Bank (Give name and address of the Bank) through ECS for repayment of the Loan and understands that in the event of the Bank not realizing payment from ECS for any reason whatsoever, the Borrower shall pay the EMI to the Bank by cash or cheque along with the interest for the delayed period.

The Borrower has given the necessary mandate/will comply with the procedural requirements for participation in ECS and also bear any service charges/fees as prescribed by Bank/RBI from time to time.

18. (A) The Bank shall be entitled at its option to recall the entire outstanding together with interest and other charges in the following cases:-
- a) In case the Borrower defaults in payment of any installment or interest;

- b) In case the Borrower fails to create the security as undertaken within the period prescribed of such extended period as the Bank may allow;
- c) In case the Borrower contravenes any of the terms and conditions of the Facility, agreement and/or of the sanction letter;
- d) In such other cases/circumstances as the Bank may deem fit and proper.

B) In event of the Bank exercising its power to recall as aforesaid, the Borrower undertakes that irrespective of the period for which the Loan/Limit is made, the Borrower shall pay to the Bank immediately, after demand whereby the recall is made, the balance then outstanding in the Loan/Limit account together with interest and all other charges due there under. In case the borrower fails to pay the Loan/Limit amount, the Bank would also be at its sole discretion be entitled to without assigning any reason whatsoever and shall initiate the legal proceeding against the borrower for recovery of the entire outstanding amount.

- 19. If there is any default in payment of any one of such installments on due date in WCTL and /or there is default in making repayment of cash credit facilities, violation in terms and condition of sanction and the scheme under which the borrower is financed, the agreement to receive payment by installment or otherwise shall stand determined on the part of the Bank and the bank shall be at liberty to demand payment of and the borrower shall be bound and liable to pay forthwith on such demand the balance amount due to the bank. Notwithstanding what is stated above, the Bank would also be at its sole discretion be entitled to determine this agreement without assigning any reason whatsoever and shall initiate the legal proceeding against the borrower for recovery of the entire outstanding amount.
- 20. That the Borrowers hereby agree to hold themselves liable as aforesaid on all the confirmation letters signed by any one of the borrower/partners of the firm and on all the accounts stated to any one of them. The borrowers agree that each one of them is an agent for the other(s) to acknowledge and admit liability outstanding in the account from time to time extending the limitation against all of us.
- 21. That the Borrower agrees and authorise the Bank irrevocably (through any of the Bank's officers and agents) as attorney for and on its behalf, to enter and remain at any place where the hypothecated goods shall be and to deliver the possession of the hypothecated goods to the Bank and/or recover and receive the said goods and/or appoint any officer or officers of the Bank as Receiver(s) to take possession of the said goods. The possession/delivery of the said goods so delivered/made to the Bank shall be as good and effectual as if made by the Borrower. The Borrower further agrees that the Bank, through any of its officers and agents shall, after delivery of the possession be entitled, by public auction or private contract or otherwise to sell, dispose of or deal with all or any part of the goods as pledged according to law and to enforce and realize the same without being liable for any loss. The Bank shall also without prejudice to its right and remedies of a suit against the Borrower be entitled to apply and appropriate the net proceeds of such sale in or towards adjustment of the balance due to the Bank and the Borrower agrees to accept the Bank's account of sales and realisation as correct and fully binding on them and pay any shortfall or deficiency.
- 22. That the Borrower hereby agrees that the Borrower's liabilities to the Bank shall for the purpose of the agreement be joint and several and that the Bank shall always have right under this agreement to give indulgence or to grant to or negotiate with any one of the Borrower without the liability of the other Borrower being affected thereby or without prejudice to the Bank's right and remedies against any one or all of the Borrowers.

23. That if the Borrower fails to maintain the margin as aforesaid as and when called upon by the Bank or fails or neglects to repay on demand such balance principal and interest as may be then due to the Bank on the said account or in the event of the Borrower becoming Bankrupt or insolvent or executing any deed or agreement of composition or insolvency; to go in liquidation or if the Borrower commits breach of any of the terms or conditions of this Agreement or the terms of sanction prescribed by the Bank or in the opinion of the Bank, there is danger of loss of the Securities by any reason whatsoever, it shall be lawful for the Bank.
- i. to take charge and / or possession of, seize, recover, receive and remove the Hypothecated Goods and book debts realized without intervention of the court, forthwith or at any time thereafter and without any notice to the Borrower (without prejudice to the Bank's right of suit against the Borrower, either by public auction or by private contract, absolutely to sell or otherwise dispose of all or any of the Securities and to apply the net proceeds of such sale and realizations towards the liquidation of the balance due to the Bank in the said Accounts as shown by a statement of the said Accounts of the Bank and signed by the Manager or other duly authorized officer of the Bank, which the Borrower hereby agrees to accept as sufficient proof of the correctness thereof. The Borrower shall not be entitled to raise any objection as to the regularity of the sale or as to the rate or the time at which the goods are sold as aforesaid or in respect of costs, charges and expenses incurred in connection therewith; and
 - ii. The Bank is authorised to take action under the SARFAESI Act, 2002 or any other law for the time being in force, in case of any kind of default.
24. (a) That notwithstanding that there may be any pending suit or other proceedings, the Borrower undertakes to give immediate notice to its debtors and third parties as and when required by the Bank and to transfer and deliver to the Bank all relative documents and papers and agrees to accept the Bank account of any sales and realisations as sufficient proof of the correctness of the amount realised and of the charges and expenses in connection with such sale(s) or realisation and to pay any shortfall or deficiency thereby shown. The Borrower further agrees to sign and execute all documents, to furnish all information and to do all acts and things necessary or expedient for the purposes of enabling the Bank to sell or dispose any of its rights under or by virtue of this agreement. The Borrower authorises the Bank and its officers, agents, nominees or other persons authorised by the Bank for and in the name of the Borrower to do whatever the Borrower is under obligation to do hereunder. Notwithstanding anything contained herein, it shall not be incumbent on the Bank to take any steps or institute any proceedings for the recovery of any of the debts or outstandings or assets and the Bank shall not be responsible for any loss arising out of or imputable to the neglect or omission or failure to take such steps or institute any proceedings.
- b) That a register of the said assets hypothecated by the Borrower to the Bank under or by virtue of this agreement shall be kept by the Borrower which shall at all times be open to inspection by any Officers or other persons authorised by the Bank and in which shall be entered full particulars of the said Hypothecated Assets by the Bank under or by virtue of this agreement. The Borrower further agrees and undertakes to furnish to the Bank monthly or as often as may be required by the Bank, extracts, from such registers and statements and returns of the said assets as the Bank may require

from time to time. The Borrower further agrees to furnish and verify all statements, returns, certificates and information to produce all account books and other relevant evidences as may be required by the Bank at any time for their inspection or satisfaction about the correctness of the said returns and statements. The Borrower further agrees to execute all documents and do all acts and things; the Bank may require to give effect to this Agreement.

25. That if the net sum realised by such sale be insufficient to cover the balance due to the Bank, the Bank shall be at liberty to apply any other money or moneys in the hands of the Bank standing to the credit or belonging to the Borrower in or towards payment of the balance for the time being due to the Bank and in the event of there not being any such money or moneys as aforesaid in the hands of the Bank and in the event of such money or moneys being still insufficient for the discharge in full of such balance, the Borrower promises and agrees forthwith, on production to it of a statement of account of the said Accounts prepared and signed as herein before provided, to pay any further balance which is due from the Borrower in its said Accounts the Borrower , to pay any further balance which may appear to be due from the Borrower in the said Accounts and on its failure to pay on demand such balance the Bank shall be entitled to recover it from the person and other properties of the Borrower. PROVIDED ALWAYS that nothing herein contained shall be deemed to negate, qualify or other-wise prejudicially affect the rights of the Bank (which it is hereby expressly agreed, the Bank shall have) to recover from the Borrower the balance for the time being remaining due from it upon the said account notwithstanding that all or any of the said Securities may not have been realised or even proceeded against.
26. That it is hereby agreed that in the event of there being a surplus available after payment of all such principal, interest and all charges and expenses as aforesaid, it shall be lawful for the Bank to apply the said surplus in or towards payment of liquidation of any or other moneys due to the Bank from the Borrower whether singly or jointly with any other person or persons, firm or company, in respect of loan secured or unsecured, discounted bills, letter of credit, guarantee charges or any or more of them and whether the Borrower shall become or be adjudicated Bankrupt or be in liquidation or otherwise.
27. That it is agreed that any surplus of the net proceeds of any such sale after payment of all principal and interest money due from the Borrower to the Bank for or in respect of the said Accounts or otherwise relating thereto and all other moneys due from them to the Bank in any other account whatever as aforesaid shall be payable to the Borrower by the Bank.
28. That this instrument is to operate as security for the balance from time to time due to the Bank and also for the ultimate balance to become due on the said Accounts and the said Accounts are not to be considered as closed for purpose of this security and the security of the Hypothecated Assets is not to be considered exhausted by reasons of the said Accounts being brought to credit at any time or from time to time.
29. That the Borrower hereby declares that all the Hypothecated Assets are its absolute property and that the Borrower has full powers of disposal over them and that such assets are free from any prior charge or encumbrance. That all the goods, book debts and property to be hypothecated hereunder in future shall likewise be free and unencumbered and that the Borrower has not done or knowingly suffered or been party or privy to anything whereby the Borrower is, in any way, prevented from hypothecating such existing or future assets in the manner as aforesaid and that the Borrower will do and execute at its cost all such acts, things, deeds and documents for further and more fully assuring and hypothecating the

assets or any part thereof as shall be required by the Bank and for giving better effect to these presents. The Borrower authorises and irrevocably appoints the Bank and/or its officers as attorney and attorneys for and in the name of the Borrower to act on its behalf and to execute any deed and do any act, assurance and things which the Borrower ought to execute and do under these presents and generally to use the name of the Borrower in the exercise of the powers hereby conferred.

30. That this agreement operating as a security for the said Accounts and interest is not to prejudice the rights or remedies of the Bank against the Borrower irrespective and independent of this agreement in respect of any portion of the ultimate balance of the said account or in respect of any other advance made or to be made by the Bank to the Borrower.
31. That in case the Borrower shall be a firm or members of a firm, no change whatsoever in the constitution of such firm during the continuance of this agreement shall impair or discharge the liability of the Borrower or any one or more of them hereunder.
32. That the Bank will always be at liberty to stop making advances or cancel the credit facility at any time without previous notice and without assigning any reason, even though the said limit has not been fully availed of.
33. That the amount due to the Bank in the said Accounts shall be payable by the Borrower at _____ office of the Bank where the said Accounts are maintained or such other places as may be indicated to the Borrower by the Bank.
34. (i) That incidental charges at the rate fixed by the Bank from time to time at its discretion shall be debited to the said Accounts for every half-year or part thereof.
(ii) That the Bank shall be entitled to debit the said Account with all other applicable charges, expenses, commission, etc.
(iii) The Borrower agrees to pay the pre-payment/ pre-closure/takeover charges as per bank norms prescribed from time to time.
(iv) That the borrower agrees to pay commitment charges @ _____% p.a. for the period unavailed in respect of unutilized portion of the said Limits exceeding the tolerance level, as may be fixed by the Bank from time to time.
35. That the securities shall not be prejudiced by any collateral or other security now or hereinafter held by the Bank for any money hereby secured or by any release, exchange or variation of such security and the Bank may give time for payment to or make any other arrangement with any surety or co-signatory without prejudice to the Borrower's liability hereunder and all moneys received by the Bank from the Borrower or any person liable to pay the same may be applied by the Bank to any account to which the same may be applicable.
36. That the Borrower do further agrees and hereby gives to the Bank during the currency and for the payment of its dues a general lien and right of set off and right to combine accounts without notice and charge on all moveable property of every description coming into the possession and control of the Bank on account of the Borrower, or for the time being held by the Bank on behalf of the Borrower, whether alone or jointly with others in India or elsewhere including, without prejudice to this generality, any moneys, promissory notes, bills of

exchange, hundies, stocks and shares, goods and merchandise, bill of lading, Railway Receipts, Lorry Receipts, Government bills with inspection notes and other bills in course of collection, articles in safe custody and other documents of title to goods or any other negotiable or transferable instruments or securities, instruments and documents of title of immovable property and mercantile documents of every description including hire-purchase agreements or contracts other than those affecting immovable property and requiring registration under the Acts or law relating to registration and other documents evidencing the title of the Borrower as creditors or members of any Corporation, Association, Registered Society, Company or Syndicate in India or elsewhere.

37. That any demand hereunder may effectually be made by parole notice to the Borrower by any Officer of the Bank or any notice written under the hand of any such officer either served personally on the Borrower or left at or sent by post to the Borrower at its address registered with the Bank.
38. That the Bank shall be entitled to open separate control accounts or such other accounts as may be necessary in respect of the said Facilities availed of by the Borrower.
39. That the borrower agrees that:
- a) The disbursal of the said Facilities viz. _____ is solely at the discretion of the Bank.
 - b)
 - i. The Bank may disallow the said Facilities , keeping in view the Bank's exigencies.
 - ii. The Bank may disallow drawing beyond the sanctioned Limits.
 - iii. The Bank may dishonour/return cheques issued for the purpose other than specifically stated in the credit sanction letter or in this agreement.
 - iv. The Bank may disallow drawing in the said Accounts on its classification as a non- performing asset or on account of noncompliance with the terms of sanction or of this agreement.
 - c) The Bank does not have an obligation to meet further requirements of the Borrower on account of growth in business, etc. without proper review of credit limits.
40. a) That the Borrower hereby agrees as a pre-condition of the said Facilities allowed to the Borrower by the Bank that in case the Borrower commits default in the repayment of the dues or in the repayment of interest thereon or any money on due dates, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish the Borrower's name or the name of the Borrower's company/firm/unit and its directors/partners/ proprietors as defaulter in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.
- b) That the Borrower understands that as a pre-condition, relating to grant of the said Facilities, other non-fund based credit facilities to the Borrower, the Bank, requires the Borrower's consent for the disclosure by the Bank of, information and data relating to the Borrower, of the credit facility availed of/to be availed, by the Borrower, obligations assumed/to be assumed, by the Borrower, in relation thereto and default, if any, committed by the Borrower, in discharge thereof.

- c) That accordingly, the Borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such;
 - i. Information and data relating to the Borrower;
 - ii. The information or data relating to any credit facility availed of/to be availed, by the Borrower, and
 - iii. Default, if any, committed by the Borrower, in discharge of the Borrower's such obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India)Ltd. and any other Credit Information Company / Agency authorised in this behalf by RBI.
- d) The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct.

The Borrower undertakes that:

- i. The Credit Information Bureau (India) Ltd. and any other Credit Information Company Agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
 - ii. The Credit Information Bureau (India) Ltd. and any other Credit Information Company / Agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to Banks/financial institutions, etc. and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf.
- e) The Borrower authorises the Bank to issue mandate/direction to the Borrower's Auditor to certify non-diversion/siphoning of funds out of the said Facilities availed by the Borrower. The Borrower also authorises the Bank to issue mandate/ direction to the Borrower's Auditors also to certify the extent/amount of diversion/ siphoning of funds out of the credit facilities availed of by the Borrower, if the Auditors detect any diversion/siphoning of funds. The Borrower undertakes to authorise the Borrower's Auditors to provide such certificate as required by the Bank at the Borrower's cost.
 - f) The Borrower agrees and undertakes to keep the Bank informed about the name and addresses of the auditors so appointed from time to time within fifteen days of such appointment. The Borrower agrees and undertakes to inform its auditors about the rights given to the Bank in respect of certifying and reporting by auditors about end use of funds, non diversion/siphoning of funds, out of the said Facilities availed of by the Borrower and the extent/amount of diversion/siphoning of funds and shall require the auditors to performs the obligations as instructed by the Bank.
 - g) The Borrower agrees not to induct on the part of the Borrower a person, who has been identified as willful defaulter as per definition given as per RBI directions/guidelines or the Bank's guidelines as a Director on the Board of the Borrower. If any Director who is willful defaulter as per definition above referred, is on the Board of the Borrower, the Borrower undertakes to get him removed from the Board of the Borrower. The Borrower agrees to make necessary amendments in the Articles of Association of the Borrower to make the above requirements a ground for removal of Director(s) and furnish a copy of the Articles of Association as amended to the Bank (Applicable in case of corporate Borrower)

41. The Borrower agrees to execute such further or other documents/deeds as and when required by the Bank in respect of the above said Facilities.
42. That the Borrower shall not have any right to assign its obligations under this deed. However, the Bank has the right to transfer, assign, securitize or sell in any manner, in whole or in part, the outstandings and dues under the Facilities to any third party without reference or intimation to the Borrower and any such transfer / assignment / sale / securitization shall conclusively bind the Borrower and all other persons.
43. That this agreement is supplementary and in addition to earlier Agreements /deeds of Hypothecation executed by the Borrower in favour of the Bank.(Applicable in cases of enhancements)
44. In case the legal proceedings are initiated by the Bank on account of default by the borrower, all dues together with cost, charges and expenses incurred on the same, shall be debited to the loan account of the borrower(s) and shall be recoverable/payable as a part of the principal amount.
45. In case of any dispute between the bank and all or any one or more of the parties, guarantor or and such other person(s) connected with the agreement, regarding the interpretation or meaning of any of the terms of this agreement, or any nature of differences, disputes, rights, claims, recovery and obligation or their enforcement or performance or to enforce payment of money secured by a mortgage or otherwise charged upon immovable property covered by this agreement or touching this agreement directly or indirectly, however, remotely it may be, including the disputes or breach, violating, contravening any condition or term of this agreement, assessment of damages, compensation, interest, additional interest prior to reference, pendentelite and future interest, for such breach violation or contravention, termination, determination of the agreement/contract, also covering disputes or matter(s) relating to section 13(10), 17 to 18, 18B to 19 in chapter III of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended by the Enforcement of Security Interest and Recovery of Debts Laws(Amendment) Act 2012 (1 of 2013) read with the corresponding Rules under the Security Interest (Enforcement) Rules, 2002 as amended from time to time, and all other matter(s) shall be referred by either party to this agreement, promissory note, agreements and guarantee deed to the sole Arbitration, by any one of the arbitrators on the named Panel of Arbitrators herein below at the option of the party raising the dispute or difference referred to above. In the event of appointed Arbitrator's inability, incapacity, death or refusal to act, the vacancy shall be filled from amongst the remaining Arbitrators named in the Panel of the Arbitrators at the option of the party raising the matter in difference. The reference shall not be determined by the death of the borrowers or on the winding up of the Bank and this shall be deemed to be agreement of arbitration between the Legal Representatives, heirs liquidators, administrators & the like.

PANEL OF ARBITRATORS

- 1. _____
- 2. _____
- 3. _____
- 4. _____

The jurisdiction of Courts, Consumer Forums, Rent Controllers under the EPURR Act, Rent Authorities under the Punjab Rent Act 1995, as amended by 2014 Act, Tribunals(Including Debt Recovery Tribunals) and their appellate authorities, other than the jurisdiction exclusively and specifically exercisable by the concerned, authorized officer of the creditor or Chief Metropolitan Magistrate or District magistrate, under section 13(1) to 13(9) & 13(11) to 13(13) to section 16 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002 as amended by the Enforcement of Security Interest and Recovery of Debts Laws(Amendment) Act 2012(1 of 2013) read with the corresponding Rules under The Security Interest(Enforcement) Rules, 2002 as amended from time to time, are ousted in the light of the above arbitration clause.

It is clarified that all matter(s) coming within the ambit of section 13(1) to 13(9) & 13(11) to 13(13) to section 16 in chapter III of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended by the Enforcement of Security Interest and Recovery of Debts laws (Amendment) Act 2012 (1 of 2013) read with the corresponding Rules under the Security Interest (Enforcement) Rules, 2002 as amended from time to time, exclusively and specifically exercisable by the concerned, authorized officer of the creditor or Chief Metropolitan Magistrate or District Magistrate, as the case may be, are not covered by the above arbitration clause and cannot be referred to arbitration.

The party raising dispute shall give 15 days notice of their intention to make the reference to the other party or parties addressed to his/her/their usual place of business or residence or at his/her/their last notified address and the notice by post or courier or e-mail/SMS etc shall be deemed to have been served when sent on such address(s). On the expiry of said period of 15 days, the party giving the notice shall also be entitled to make a reference to arbitrator and it will not be necessary to make a joint submission of reference to arbitration, which reference shall not be objected to by other party as being unilateral, Arbitrator's decision by way of award and can also make award of selling the mortgage property to enforce payment of money secured against such mortgage or otherwise charged upon immovable property under mortgage , shall be final and binding and shall not be challenged in any court of law. The proceeding before the Arbitrator and all arbitral matters shall be followed as per the existing and then prevailing arbitration law or its substituted arbitration law as amended from time to time, with place of Arbitration at Jalandhar City.

SCHEDULE OF THE SECURITIES AND MARGINS

1.	Nature of Goods, etc	Margin%
2.	Book Debts	

In witness whereof the parties have hereunto set their hands on the day, month and year herein above mentioned.

Signed sealed and Delivered by

Signature of Borrower(s)

Bank